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SENATE BUDGET COMMITTEE CUTS AIRPORT F&E TO $617 MILLION

Senate Budget Committee last week cut airport facilities and equipment funding from $1 billion to $617 million for Fiscal Year 1984. Cut was made despite attempts by Sen. Nancy Kassebaum (R-Kan.), chairman of the Senate aviation subcommittee, to have the full $1 billion reinstated. The full House had already approved $1 billion for airport F&E. Funding for FY 1984 airport improvements is $993 million in both the Senate committee bill and House resolutions. In addition, the budget committee accepted a House figure of $105 million for Federal Aviation Administration research, engineering and development, although the Reagan Administration had originally asked for $286 million. It is expected that transportation funding will be discussed again when the budget committee meets Tuesday (April 19).

DESPITE LONG-TERM OPTIMISM, GA COMPANIES STILL SEEKING ECONOMIC RECOVERY

Top executives of major general aviation manufacturing companies said last week they remain optimistic about the long-term outlook for the industry, but indicated that recovery from the past two years of recession is still not in hand.

Appearing on a "Top Management" panel at the Business Aircraft Meeting of the Society of Automotive Engineers in Wichita, Elvie Smith, president of the Pratt & Whitney Aircraft Company of Canada, forecast sharp increases in the number of turbofan and turboprop airplanes and helicopters to be delivered over the next decade. In the 10 years ended in 1982, Smith said the industry delivered 3,616 turbofans, 7,210 turboprops and 10,133 helicopters. For the 10 years ending in 1992, Smith predicted that turbofan deliveries will increase 39 percent to 5,046 units, turboprop shipments will jump 68 percent to 12,148 aircraft and helicopter deliveries will increase 48 percent to 14,975. Smith said he believes there will be continued growth in the turbine-powered market for the foreseeable future, adding that he has "a thoroughly positive view" of the general aviation industry.

Other speakers, while generally agreeing with the long-term prospects outlined by Smith, concentrated on the less favorable state of the industry at the present time. Bernar S. (Bib) Stillwell, president of Gates Learjet Corp., said the industry is still in the midst of "a severe downturn" which is still bottoming out. He said the industry had forecast delivery of 315 business jets in 1983, but noted that only 52 had been delivered in the first three months of the year—an annual production rate of just over 200 units.

While a number of industry forecasts have predicted a relatively flat first half in 1983 with improving sales in the second half, there was at least one indication that any improvement in sales in the last six months of the year will not be enough to offset earlier problems. Russ Meyer, chairman and president of Cessna Aircraft, noted that Cessna reported sales of just over $1 billion in 1981. Last year sales fell to $830 million and Meyer said he expects sales for 1983 to total about $625 million.

Both Meyer and Stillwell stressed the impact of foreign competition on U.S. manufacturers. Meyer said over the next 10 years the industry will be faced with "more aggressive competition by far than we have ever seen." He stressed that the loss of sales means not only the loss of jobs but also the loss of technology because lower sales will necessarily mean a reduction in the amount of money available for R&D. Stillwell said the U.S. has attempted to practice a free trade policy, but he said the net result is that "free trade is a one-way street, with a lot of coming in (to the U.S.) and very little going out."

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CESSNA MOVING UP SCHEDULE FOR CARAVAN UTILITY AIRCRAFT – Cessna Aircraft has advanced the schedule for production of its Caravan utility aircraft and now plans to begin taking orders for the aircraft at next month's Paris Air Show. When originally announced late last year *(BA, Dec. 20/193)*, the company said it planned to begin deliveries in April of 1985. However, favorable results from the first 150 hours of flight tests on the prototype and a determination that there is significant market interest in the aircraft has led the company to advance the schedule by six months. Certification of the PT6 turboprop-powered plane is now anticipated in early September of 1984, with deliveries commencing by mid-October.

The aircraft is designed to be a rugged utility model capable of carrying a crew of two and 12 passengers into unimproved airports where maintenance facilities will not be readily available. Cessna is designing the aircraft with a broad CG envelope to facilitate the widest possible range of missions. Since flights tests were initiated, the company has made a number of changes to the prototype including moving the control wheel and throttle quadrant a few inches, moving the wheels on the main gear back eight inches and improving the aerodynamics of the fuselage. Aircraft was down for inspections and installation of additional equipment last Tuesday in anticipation of a series of flights late last week to film a video presentation for display at the Paris Air Show.

GA AIRPORT IMPROVEMENT BILL INTRODUCED IN NEW JERSEY – Legislation has been introduced in New Jersey that would create an airport safety act so the state would be eligible to obtain federal funding to improve its general aviation airports. New Jersey currently is one of three states in the U.S. that is not eligible to receive federal airport improvement assistance. Legislation, entitled "The New Jersey Airport Safety Act of 1983," was introduced March 30 in the state legislature by Sen. John Russo with the cooperation of Gov. Thomas H. Kean, Transportation Commissioner John P. Sheridan Jr. and Arlene B. Feldman, director of the state's Division of Aeronautics.

Provisions of the bill include creation of a program to finance safety improvements for runways, taxi strips and lighting at the 60 GA airports in the state. Funding for the program will be provided by a two-cent per gallon GA fuel tax, which will be offset by the termination of the state's current aircraft registration fees. Bill also will provide New Jersey with the authority to assist the 14 publicly-owned airports in obtaining federal funding for airport improvements or the acquisition of airports or adjacent land.

Tom Thatcher, an assistant to Feldman, said the proposed GA fuel tax would generate approximately $800,000 annually for the state. Because New Jersey would then be eligible for federal airport improvement funds, he predicts that each dollar of the money generated by the fuel tax and airport licensing fees will be matched by nine dollars of federal money, thus generating $8 to $10 million a year for implementation of its GA airport improvements. In addition, funds would go directly to a new "Airport Safety Fund," instead of the state's general treasury, where aviation-generated revenues currently go.

New Jersey's airport safety act has been received with "unprecedented support" by the state's legislators, Thatcher said, and passage is expected by June. Bill also has received "tentative or outright support" by numerous state and national aviation groups, he said.

RAA DATA SHOWS TURBOPROPS ACCOUNT FOR 88 PERCENT OF RPMs – Regional Airline Association has compiled data showing that turboprop aircraft accounted for 88 percent of all revenue passenger miles (RPMs) flown by commuters in 1982, up 30 percent from industry RPMs in 1978. In addition, the number of turboprops currently in use by regionals–804 aircraft–is a 23 percent increase over the number of turboprops in service 18 months ago. RAA said the most "popular" aircraft in regional use–the Fairchild Swearingen Metro–accounted for 14 percent of all available seats, followed by the Dash 7, Twin Otter, Bandeirante and Beech 99.

Since deregulation, the number of aircraft seating 40 passengers and more increased from 22 aircraft in 1978 to some 175 aircraft in regional service in 1982. However, RAA said "the workhorse of the regional fleet continues to be the eight- to nine-seat piston twin aircraft like the Cessna 402 and the Piper Navajo which has proven most successful in providing this service over the years." Three RAA charts illustrating this data are shown *on the back of this page and Page 124.*

SUMMARY OF AIRCRAFT IN REGIONAL AIRLINE USE IN 1982

Joint Passenger/Cargo Use Aircraft

MANUFACTURER	Piston Engine Single-	Piston Engine Multi-	Turbo-prop	Jet	Heli-copter	Aircraft total
Aerospatiale	*	*	17	*	7	24
Beech	3	28	121	*	*	152
Bell	*	*	*	*	25	25
British Aerospace	*	*	21	1	*	22
Britten-Norman	*	49	*	*	*	49
CASA	*	*	15	*	*	15
Cessna	121	203	*	1	*	325
Convair	*	16	46	*	*	62
deHavilland	28	24	152	*	*	204
Douglas	*	24	*	1	*	25
Embraer	*	*	98	*	*	98
Fairchild (Swearingen)	*	*	153	*	*	153
Fokker	*	*	28	5	*	33
Grumman	*	19	4	*	*	23
Martin	*	12	*	*	*	12
Nihon	*	*	23	*	*	23
Piper	42	203	3	*	*	248
Shorts	*	*	59	*	*	59
Misc*	1	3	5	3	9	21
TOTAL ALL ACFT	195	581	745	11	41	1,573
AIRCRAFT IN EXCLUSIVE CARGO USE						
TOTAL ALL MAKE/MODELS	30	161	61	32	*	284
TOTAL ACFT ALL USES	225	742	806	43	41	1,857
PERCENT CHANGE 82/81	-5%	-10%	+23%	+39%	+105%	+6%

TOP TEN REGIONAL PASSENGER AIRCRAFT (1982)
(Ranked by Total Available Seats Delivered)

Manufacturer/ Model	% of total fleet seating capacity	Total Acft in Airline Service	Fleet Flying Hours (000s)
Fairchild (Swearingen) Metro (all models)	14.3%	153	322.7
deHavilland Dash 7	10.8	40	92.5
deHavilland Twin Otter	9.6	112	217.0
Embraer Bandeirante	8.5	98	201.8
Beech Model 99	8.1	119	231.3
Shorts SD3-30	8.0	52	113.6
Convair 580/600/640	7.4	46	71.8
Fokker F-27/FH-227	5.7	28	55.3
Cessna 402	3.4	177	179.5
Piper Navajo (all models) ..	3.3	167	178.2
Total Top Ten Models	79.1%	992 (63%)	1,663.7 (77%)
Miscellaneous Others	20.9%	581 (37%)	496.7 (23%)
TOTAL ALL AIRCRAFT	100.0%	1,573 (100%)	2,160.4 (100%)

Source: Regional Airline Association 4/5/83

AIRCRAFT IN REGIONAL AIRLINE PASSENGER SERVICE
Comparison of Aircraft Seating Capacity
by Fleet Size, Hours Flown and Revenue Passenger Miles
1978 versus 1982

	Passenger Seating Capacity 1 - 9	10 - 19	20 - 39	40 & Up	Other*	Total
AIRCRAFT IN ACTIVE FLEET:						
1978	667	270	72	22	16	1,047
1982	688	544	114	175	52	1,573
% Chg	+ 3%	+101%	+ 58%	+695%	+225%	+ 50%
HOURS FLOWN (000s):						
1978	566	474	57	23	11	1,131
1982	589	1,053	179	287	52	2,160
% Chg	+ 4%	+122%	+214%	+1148%	+373%	+ 91%
REVENUE PAX MILES IN % OF TOTAL SHOWN:						
1978	22%	58%	13%	6%	1%	1.28 bil
1982	9%	44%	12%	32%	3%	2.61 bil
% Chg						+104 %

(Other*) Includes helicopters and jets
Notes: Some percentages do not add up due to rounding.
1978 data estimated from CAB reports of commuter activity.
1982 data derived from the RAA Annual Survey of Air Carriers.

Source: REGIONAL AIRLINE ASSOCIATION 4/6/83